

PROOF

STATE OF IOWA

Senate Journal

TUESDAY, JANUARY 13, 2004

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JOURNAL OF THE SENATE

SECOND CALENDAR DAY
SECOND SESSION DAY

Senate Chamber
Des Moines, Iowa, Tuesday, January 13, 2004

The Senate met in regular session at 8:39 a.m., President Kramer presiding.

Prayer was offered by the Reverend Paul Thompson, pastor of the First Lutheran and Vernon Churches in Dows, Iowa. He was the guest of Senator Iverson.

The Journal of Monday, January 12, 2004, was approved.

HOUSE MESSAGES RECEIVED AND CONSIDERED

The following messages were received from the Chief Clerk of the House:

MADAM PRESIDENT: I am directed to inform your honorable body that the House has on January 12, 2004, **adopted** the following resolutions in which the concurrence of the Senate is asked:

[House Concurrent Resolution 101](#), a concurrent resolution designating that a joint convention of the two houses of the 2004 session of the Eightieth General Assembly be held on Tuesday, January 13, 2004, at 10:00 a.m.

Read first time and referred to committee on **Rules and Administration**.

[House Concurrent Resolution 102](#), a concurrent resolution designating that a joint convention of the two houses of the 2004 session of the Eightieth General Assembly be held on Wednesday, January 14, 2004, at 10:00 a.m.

Read first time and referred to committee on **Rules and Administration.**

RECESS

On motion of Senator Iverson, the Senate recessed at 8:41 a.m. until the completion of a meeting of the committee on Rules and Administration.

RECONVENED

The Senate reconvened at 8:45 a.m., President Pro Tempore Angelo presiding.

FINAL COMMITTEE REPORTS OF BILL ACTION

RULES AND ADMINISTRATION

Bill Title: [HOUSE CONCURRENT RESOLUTION 101](#), a concurrent resolution designating that a joint convention of the two houses of the 2004 session of the Eightieth General Assembly be held on Tuesday, January 13, 2004, at 10:00 a.m.

Recommendation: DO PASS.

Final Vote: Ayes, 11: Iverson, Lamberti, Gronstal, Boettger, Courtney, Drake, Dvorsky, Gaskill, Ragan, Sievers, and Wieck. Nays, none. Absent, none.

Fiscal Note: NOT REQUIRED UNDER JOINT RULE 17.

ALSO:

Bill Title: [HOUSE CONCURRENT RESOLUTION 102](#), a concurrent resolution designating that a joint convention of the two houses of the 2004 session of the Eightieth General Assembly be held on Wednesday, January 14, 2004, at 10:00 a.m.

Recommendation: DO PASS.

Final Vote: Ayes, 11: Iverson, Lamberti, Gronstal, Boettger, Courtney, Drake, Dvorsky, Gaskill, Ragan, Sievers, and Wieck. Nays, none. Absent, none.

Fiscal Note: NOT REQUIRED UNDER JOINT RULE 17.

CONSIDERATION OF RESOLUTIONS
(Regular Calendar)

Senator Iverson asked and received unanimous consent to take up for consideration House Concurrent Resolutions 101 and 102.

[House Concurrent Resolution 101](#)

On motion of Senator Iverson, [House Concurrent Resolution 101](#), a concurrent resolution designating that a joint convention of the two houses of the 2004 session of the Eightieth General Assembly be held on Tuesday, January 13, 2004, at 10:00 a.m., with report of committee recommending passage, was taken up for consideration.

Senator Iverson moved the adoption of [House Concurrent Resolution 101](#), which motion prevailed by a voice vote.

[House Concurrent Resolution 102](#)

On motion of Senator Iverson, [House Concurrent Resolution 102](#), a concurrent resolution designating that a joint convention of the two houses of the 2004 session of the Eightieth General Assembly be held on Wednesday, January 14, 2004, at 10:00 a.m., with report of committee recommending passage, was taken up for consideration.

Senator Iverson moved the adoption of [House Concurrent Resolution 102](#), which motion prevailed by a voice vote.

INTRODUCTION OF RESOLUTION

[Senate Resolution 103](#), by committee on Rules and Administration, a resolution honoring Senate President Mary Kramer.

Read first time and **placed on calendar.**

FINAL COMMITTEE REPORT OF BILL ACTION

RULES AND ADMINISTRATION

Bill Title: LSB 5586SV, a resolution honoring Senate President Mary Kramer.

Recommendation: APPROVED COMMITTEE BILL.

Final Vote: Ayes, 11: Iverson, Lamberti, Gronstal, Boettger, Courtney, Drake, Dvorsky, Gaskill, Ragan, Sievers, and Wieck. Nays, none. Absent, none.

Fiscal Note: NOT REQUIRED UNDER JOINT RULE 17.

CONSIDERATION OF RESOLUTION
(Regular Calendar)

Senator Iverson asked and received unanimous consent to take up for consideration [Senate Resolution 103](#).

[Senate Resolution 103](#)

On motion of Senator Iverson, the following resolution was taken up for consideration:

1 [SENATE RESOLUTION 103](#)
2 By: Committee on Rules and Administration
3 A resolution honoring Senate President Mary Kramer.
4 WHEREAS, Senate President Mary Kramer is resigning
5 from legislative office after completing 13 years of
6 service as a Senator to serve as United States
7 Ambassador to the West Indian nation of Barbados; and
8 WHEREAS, Senator Kramer's distinguished career as a
9 state legislator has included service as President of
10 the Senate for the Seventy-seventh General Assembly
11 through the first half of the Eightieth General
12 Assembly, and as an Assistant Minority Leader during
13 the Seventy-fifth and Seventy-sixth General
14 Assemblies; and
15 WHEREAS, Senator Kramer's legislative career has
16 also included service as Vice Chairperson of the Rules
17 and Administration Committee, as Vice Chairperson of
18 the Appropriations Committee, and as Ranking Member on
19 the Education Committee; and
20 WHEREAS, Senator Kramer has served on many other
21 standing committees and appropriations subcommittees
22 throughout her years of Senate service and has been an
23 influential and dedicated legislator in this state;
24 and
25 WHEREAS, Senator Kramer has sponsored and been
26 instrumental in the passage of Iowa legislation
27 relating to student achievement and teacher quality
28 and to the development and strengthening of human
29 resources in this state; and
30 WHEREAS, Senator Kramer has served honorably and

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1 has unselfishly given of her time and efforts to
2 further the interests of the State of Iowa and to
3 provide beneficial programs for the citizens of Iowa;
4 NOW THEREFORE,
5 BE IT RESOLVED BY THE SENATE, That the Senate pay
6 tribute to Senate President Kramer for her devoted
7 service to the Iowa General Assembly and the citizens
8 of this state, extend its congratulations upon her
9 appointment and confirmation as United States
10 Ambassador to Barbados, express its pride at having an
11 Iowa Senator named a United States ambassador, and
12 wish her the very best in the years ahead in all her
13 endeavors; and
14 BE IT FURTHER RESOLVED, That an official copy of
15 this Resolution be prepared and presented to Senate
16 President Kramer.

The Senate rose and expressed tribute to Senator Kramer.

Senator Iverson moved the adoption of [Senate Resolution 103](#), which motion prevailed by a voice vote.

Senator Kramer approached the well of the Senate where she was presented a gift in appreciation of her service and an enrolled copy of [Senate Resolution 103](#).

Senator Kramer addressed the Senate with brief remarks.

The Senate rose and expressed its appreciation.

IMMEDIATELY MESSAGED

Senator Iverson asked and received unanimous consent that **House Concurrent Resolutions 101 and 102** be **immediately messaged** to the House.

The Senate stood at ease at 9:09 a.m. until the fall of the gavel for the purpose of party caucuses.

The Senate resumed session at 9:50 a.m., President Kramer presiding.

COMMITTEE FROM THE HOUSE

A committee from the House appeared and announced that the House was ready to receive the Senate in joint convention.

In accordance with [House Concurrent Resolution 101](#), duly adopted, the Senate proceeded to the House chamber under the direction of the Secretary of the Senate and the Sergeant-at-Arms.

JOINT CONVENTION

The joint convention convened at 9:55 a.m., President Kramer presiding.

Senator Iverson moved that the roll call be dispensed with and that the President of the joint convention be authorized to declare a quorum present, which motion prevailed by a voice vote.

President Kramer declared a quorum present and the joint convention duly organized.

Senator Iverson moved that a committee of six, three members from the Senate and three members from the House, be appointed to notify Governor Thomas J. Vilsack that the joint convention was ready to receive him.

The motion prevailed by a voice vote and the Chair announced the appointment of Senators Lamberti, Boettger, and Kibbie on the part of the Senate, and Representatives Klemme, Jacobs, and Shomshor on the part of the House.

Secretary of State Chet Culver, Treasurer of State Michael L. Fitzgerald, Secretary of Agriculture Patty Judge, Auditor of State David A. Vaudt, and Attorney General Tom Miller were escorted into the House chamber.

Chief Justice Lavorato and the Justices of the Supreme Court and Chief Judge Sackett and the Judges of the Court of Appeals were escorted into the House chamber.

Lieutenant Governor Sally J. Pederson was escorted into the House chamber.

Mrs. Christie Vilsack, wife of the Governor, and their sons, Jess and Doug, were escorted into the House chamber.

The committee waited upon Governor Thomas J. Vilsack and escorted him to the Speaker's station.

President Kramer presented Governor Thomas J. Vilsack, who delivered the following Condition of the State Address:

Thank you, Madam President—perhaps I should say, “Your Excellency,” which is the appropriate title for a newly appointed and confirmed ambassador. Senator Kramer, all of Iowa takes pride in your appointment and confirmation and we wish you Godspeed in your new endeavor. Thank you, Mr. Speaker, and members of the General Assembly for your kind invitation to share my thoughts about the condition of our great state. I should, also, express appreciation for the sacrifice each member of the General Assembly makes, spending time away from family and community in service to the people of Iowa. Thank you, as well, to the Chief Justice and members of our state appellate courts for your attendance here today and your service every day. Finally, let me acknowledge statewide elected officials, specifically the Lieutenant Governor, Sally J. Pederson, and my first and only lady—Iowa's First Lady—Christie Vilsack, accompanied by our sons, Jess and Doug, for the effective work you all do to make Iowa a better place to live, to work, and to raise a family.

My fellow Iowans, today across our state, our nation, and the world, Iowans raised with a deep sense of responsibility—trained to put service above self and unafraid to sacrifice to secure a greater good—live and lead lives of service—educating, healing, protecting, and defending—daily helping all of us in ways we may not know or comprehend.

The effort of these unsung heroes should inspire and motivate us to follow their example by making a difference with the opportunities we have been blessed to receive.

A hero who inspires me is B. J. Jackson—specialist B. J. Jackson—a proud member of the Iowa National Guard. At the call of his country, B. J. left his wife, Abby, and his daughter and stepdaughter and traveled to Iraq to fight tyranny and terrorism. Shortly, after he arrived in Iraq, B. J. sustained serious and disabling injuries while on patrol. B. J. lost both of his legs below the thigh and suffered third-degree burns to his face and hands. After spending time in treatment and therapy, B. J. came home to the United States and received his Purple Heart. As the medal was pinned to his chest, B. J. painfully stood at attention. No one, including his commanding officer, would have objected if B. J. had chosen to sit, but he stood.

I experienced the honor of meeting this brave Iowan. I asked this soft-spoken, humble soldier why he stood. He explained simply, but profoundly, “out of respect for all the men and women who serve and sacrifice.” And he added, “If they'd let me, I'd go back.”

B. J. joins many other Iowans, including those recently injured from mortar attacks, doing their duty for freedom and liberty. Some, like B. J., return but will never be the same. Some will never return. With their ultimate sacrifice the names of Jeffrey Bohr, Michael Deutsch, Paul Fisher, Kurt Frosheiser, David Kirchoff, Brad Korthaus, Kenneth Nalley, Aaron Sissel, and Bruce Smith—Iowans recently killed in the service of our country—will forever be on the honor roll of heroes who spent their lives making a difference in a cause much larger than themselves.

Today in this magnificent state capitol, let us follow the lead of B. J. Jackson by standing out of respect for all those who serve and sacrifice and express our full appreciation for their sacrifice.

In the face of such supreme and extraordinary sacrifice, a reciprocal duty and responsibility arises in each of us. We, too, are called to a life of service and sacrifice.

Although to a degree much less severe, our challenge in Iowa mirrors the challenge our nation assumed in Iraq and Afghanistan. There, schools, libraries, and hospitals must be opened. Here, our schools and libraries must be constantly improved and health care made more affordable and accessible. There, local security forces must be formed. Here, police officers and firefighters must be better supported. There, an economy must be built to create quality of life. Here, an economy must be transformed to support quality of life.

There and here, resources are needed to make any and all of this happen. Despite large deficits, Congress and the administration in Washington, D.C., recognized the importance of the work to be done in Iraq and Afghanistan and found the resources to make sure the job gets done. American financial assistance acts as a bridge between the Iraq and Afghanistan of now and the free and self-supporting Iraq and Afghanistan of tomorrow.

In Iowa, we face a similar choice. A sluggish economy, a jobless recovery, and zealous tax reductions when times were better help to create a significant gap between available resources and investments needed to support our values and meet our needs in education, health care, and public safety and security—the foundation of a transformed Iowa. We, too, need a financial bridge that will enable us to strengthen that foundation and maintain the momentum of recent transformation efforts.

Recently, the Lieutenant Governor and I conducted a series of public hearings across the state to listen to Iowans express their concerns and their hopes about our budget and the priorities it would establish for our collective future. From Dubuque to Sioux City, the message from the people was clear and consistent—we must maintain Iowa's excellence in education, we must ensure access to quality healthcare, we must protect essential local services, and we must hold the line on local property taxes.

In communities across this great state, teachers, administrators, school board members, business leaders, and, most importantly, parents urged us to not risk Iowa's national standing as a K-12 educational leader and recent advances in student achievement by seemingly only trying to cut our way out of budget difficulties.

People who were born and raised here, and people who moved to Iowa to take advantage of our quality education system, warned us that our failure to adequately

fund our schools will lead to more teacher and staff layoffs, larger class sizes for our students, and less educational opportunities for our children.

Deb Henry, a third grade teacher from Ankeny, brought the threat into clear focus when she catalogued the meager supplies she would receive for her 176 students next semester: 1 box of number two pencils, 12 pencils to a box; 10 boxes of crayons, 16 crayons to a box; 3 packets of construction paper, 50 sheets to a packet; and 5 glue sticks.

We understood better the limitations on learning when Desira Johnson, a parent at the Ankeny hearing, held up this 1984 textbook used today to teach her child and her classmates about the world around them. Our children will experience difficulties understanding our complex world if they must continue to rely on textbooks that teach of a place which no longer exists—the Soviet Union.

With us today is a young lady, Erin Smalley. She is from Johnston. Erin wrote an essay entitled “A Passion for Education.” I want to share a portion of that essay with you today because it will underscore the importance of maintaining educational excellence. Erin wrote about William Butler Yeats, an Irish poet, who won the Nobel Prize for literature in 1923.

Yeats once said, “Education is not the filling of a pail, but the lighting of a fire.” The first part of Yeats’ quote states education is not the filling of a pail. I believe it means this: education is not just putting information and knowledge into someone’s mind. You can’t dump fact after fact after fact into someone because it will just go in one ear and out the other. Putting a lot of information into someone’s head is just like filling a pail with a lot of water. It will probably just sit there, but it won’t sink in. That is why education means something more. The rest of the quote says; “...but the lighting of a fire.” I believe this makes education all about enlightening students and making them wonder. To light their fires, to make them want to learn more, to build a passion for what they are being taught. When they have an interest, then they go for it. When kids are given an education they discover a passion for something important to them and they will go higher and higher and never give up on their dreams. When the light goes on, that is when they start to discover and to learn. That is when education is most important because then it will hopefully become a turning point in their life. Everyone should get to go to a free school and learn new things. I want every kid to have a passion for something and to be able to have a chance to pursue their dreams. I want every kid to get the chance because it is not only fair, it is something necessary. I hope that having an education will light all the flames and not just fill all the pails.

Erin, I want to speak directly to you today. I want to tell you that as your Governor, I am going to do everything I possibly can to make sure that fire remains lit for as long as you and your classmates are in school. The light will remain lit.

As dedicated teachers and parents advocated for children, I realized that someone needed to advocate for the teachers and staff—people who lead lives of service. The duty belongs to the governor and legislators as leaders of a state that prides itself on

its schools and educational opportunity. The fact remains that supplies, textbooks, or the most sophisticated technology mean very little unless we have quality teachers and staff.

This duty extends beyond K-12 and includes advocating for higher education as well. Without support, our colleges and universities will not attract the quality of faculty or staff required to maintain academic excellence on our campuses unless they continue to rely on higher tuitions, which price too many out of opportunity.

Public concerns were not limited to teachers and educators. Nurses, hospital workers, healthcare professionals like chiropractors and pharmacists, mental health advocates, and people with disabilities, all expressed concerns about our healthcare.

Our state ranks in the top six states for quality healthcare, according to the Center for Medicare and Medicaid, and we can take pride in the fact that more than 90 percent of all Iowans and 94 percent of all Iowa children have healthcare security. However, without continued investments in our Medicaid program for seniors and low-income persons with disabilities and our children's health insurance program, access to critical services will be denied to Iowans most in need. Cheryl Jones, a nurse from Bloomfield, confirmed at the Ottumwa hearing that this occurs today in some rural areas of our state.

With frequent changes to the nation's homeland security threat level, we need no reminder of the importance of quality, adequately staffed, trained, and equipped local law enforcement officers, firefighters, and first responders. At every public hearing, those on the frontline of homeland security, like firefighter Chris Sorenson from Council Bluffs—also with us today—outlined the negative impact on security efforts resulting from state cuts in support to local governments. As layoffs occur in critical security positions and as training and equipment purchases are delayed or deferred at the local level, the question can appropriately be asked of us—given the magnitude of the risk, from terrorism to meth labs, can we afford to be understaffed, untrained, and ill equipped?

Yesterday, at my instruction, the Department of Management furnished each member of the General Assembly a budget based on revenues as they are. A budget, which if passed, will confirm the fears and ignore the priorities of the hundreds of Iowans we heard during our public hearings. A budget, ladies and gentlemen, after all, is not just a set of numbers. Our budget should reflect our values, demonstrate our priorities, and positively affect people's lives.

Let me be as clear as I can be. A budget based solely on available revenues will underfund education at every level and fail to meet our basic responsibility to provide our children with great schools, colleges, and universities. With it, we run the risk of extinguishing the flame of passion for education, a return to declining student achievement and test scores, and a continuation of higher tuitions eliminating for some the dream and the opportunity of a higher education.

A budget based solely on available revenues underfunds healthcare and fails to keep faith with the Iowa promise of healthcare security for seniors needing nursing homes, for people with mental illness or physical disabilities needing specialized care, and for uninsured children.

A budget based solely on available revenues underfunds property tax credits and local government support and fails to strengthen the relationship between state and local government. With this budget, the deal for Iowans from local government is simple—higher property taxes and fewer critical services—pay more, get less.

We must not turn our backs on our children, our seniors, our friends and neighbors with disabilities—on all Iowans. We can and we must do better.

The budget we enact at this critical juncture for our state must protect our priorities, preserve our values, and promote the greater good and the better tomorrow for all of us. Our budget must reflect the people's interest, not the special interest. Guided by fairness and equity, our budget may ask some to sacrifice more for the betterment of all.

To bridge the gap between revenues and our priorities, I propose a three-step plan based on simple fairness and equity, and not one based on an income or sales tax rate increase.

Step one. Modernize the sales tax system by expanding the base of services subject to tax and lowering over time the overall sales tax rate—an approach suggested last year by Speaker Rants. We would generate sufficient revenue to increase support for all levels of education in the short term, while reducing taxes for most Iowa families in the long run. This approach builds upon what we started last year in modernizing our property tax system and remains consistent with fair and equitable tax policy of broadening the base and lowering the rates.

Step two. Today in Iowa, we all pay for smoking-related illnesses through taxes and higher insurance premiums. We pay more for the treatment of smoking-related illnesses than we receive from those who smoke. We need to correct this inequity by better balancing what we receive with what we spend. An increase in what smokers pay to smoke—an idea advanced last year by Senate Republican leaders—will create better balance, while generating the revenues to keep faith with those who need health care.

Step three. By simply closing tax loopholes and ending unfair preferences, we will collect sufficient revenues to fully fund property tax credits. Property owners would receive the full benefit of the credits lowering their property taxes without a cut in essential services.

I will submit a budget this week that provides details, but let me outline the impact of what I propose today.

Our sales tax system reflects a 20th century economy centered more on goods being sold than services being provided. The narrow base of activities subject to tax means most of us pay a higher rate than we need to. By extending sales tax to services like engineering, surveying, accounting, consulting, and the like, we can better align the system to the economy of today. With an expanded base, we can systematically over time reduce the rate of tax on all transactions by 15 percent over the next four years.

The additional revenues collected during the period where rate reduction is phased in can act as a bridge to better times and will enable us to more adequately fund education.

Under the approach I offer, state support for schools would increase by \$131 million. We would fully fund this year's allowable growth, including restoring state funds cut from last year's budget. We would continue and, in fact, expand the teacher compensation/student achievement effort started two years ago. State resources would act as an incentive for local districts to reduce administrative costs and redirect those savings into greater support for teacher compensation and professional development. Important efforts to reduce class sizes, improve reading, and prevent dropouts would continue without interruption. New efforts to meaningfully tackle the achievement gap among minority students could be launched in places like Waterloo and Sioux City.

What does it mean for schools? —more and better-qualified teachers and smaller class sizes. For our children, it means better learning opportunities. For our state and future, it means a more educated and productive workforce to meet the challenges of a 21st century global economy.

Additional funds would also be available for empowerment and early childhood education. If we are serious about leaving no child behind, we must ensure that no child starts behind.

Higher education would also benefit. Community colleges would receive increased state aid. The Regent's universities would receive support to fully fund faculty and staff salaries. Students relying on the Iowa Tuition Grant program would receive additional help with tuition costs. Quality higher education would remain affordable for working families.

Finally, resources would also be available to better support the tuition assistance program for National Guard members, which will aid in recruiting and retaining soldiers, airmen, and airwomen in Iowa.

Bottom line, under this sales tax modernization proposal: a few will pay more, most will pay less, and all will benefit as Iowa remains an education leader. Most importantly of all, our children will enjoy the fruits of educational excellence as they grow up and become the leaders and heroes of tomorrow.

No doubt exists that smoking costs all of us and kills too many of us. Fairness and equity dictate that smokers should assume more of the responsibility of the costs of smoking-related illnesses. As they do, research tells us fewer children will begin smoking and more lives will be saved.

With a 60-cent increase in the cost of every pack of cigarettes, resources will be freed up to keep faith with seniors and veterans and their long-term care needs. We can begin weaning ourselves from reliance on the senior living trust to help fund nursing home care. This fund can be preserved longer for its primary purpose of financing in-home care. The dignity and independence of seniors—an Iowa tradition—can be expanded and not curtailed.

Additional investments will be made to our children's health insurance effort and to more adequately fund substance abuse treatment and smoking prevention efforts.

In response to the Legislature's charge, the Mental Health Developmental Disabilities Commission issued a blueprint for redesigning the entire system of services for adults with disabilities.

Their recommendations will ensure basic quality services statewide to support Iowans with mental retardation, mental illness, developmental disabilities, and brain injury to live to their God-given potential.

Revenue will now be available to begin to fund the commission's recommendations and bring hope to those facing mental and physical challenges.

At the same time, the growing crisis in which tens of thousands of Iowa's children and seniors fail to get even simple routine dental care can be addressed. If children of low-income families or seniors cannot get to a dentist's office, we will bring the office to them and their schools and community centers. These mobile offices will provide routine but necessary dental care that will improve health outcomes.

A few will pay more to offset the costs paid by all, and our most vulnerable citizens will be assured of health care security.

Today, some avoid the payment of their fair share of the costs of essential services and some receive the benefit of property tax credits actually designed for others. A number of corporations, particularly non-Iowan, out-of-state corporations, shift income and expenses to avoid paying millions of state taxes owed here. At the same time, the ag land tax credit (against property taxes), designed for those who farm the land, is also available to those who own the farmland but allow others to farm it. Providing these credits to absentee landlords costs the state millions of dollars.

This corporate loophole should be closed, and this special preference for absentee landowners should be ended. The revenues and savings should be dedicated to more fully funding local property tax credits and services assisting local governments. Bottom line, while a few may pay more, most will pay less, and essential services protecting our families and communities will continue.

Even with the approach I've outlined, some areas of state government will receive less and more areas of sacrifice will be required. Efforts begun four years ago to reduce the size of state government and to improve efficiency and effectiveness must continue. Budgets and workforces have been cut and more may be required, but I am confident in the commitment and ability of those working for us in state government to get the job done and to get it done well.

With a people's budget and a common-sense bridge approach to financing it, our responsibilities will be met and our priorities will be preserved in the short term. But this will not do over the long term unless we continue the work begun over the last four years to transform our economy.

Before I talk about continued efforts to transform our economy, I want to talk about a transformation of a different type—the transformation of the heart. Bullying and harassment takes place in too many of our schools. No one has the right to harass or bully because of the color of one's skin, one's nationality, the language one speaks or the language one does not speak, a person's religion, a person's politics, a person's appearance, or of a person's perceived or real sexual orientation. Every child deserves a safe haven at school to learn and to grow. Teachers, administrators, and staff must guarantee that safe haven, and schools must be held accountable when bullying or harassment takes place. I will present to the General Assembly legislation that will

require that degree of accountability, and I respectfully ask for your consideration and support.

All around the state, evidence of change in our economy exists. The construction of new power facilities, expansion of high-speed Internet to many areas of the state, a doubling of ethanol production facilities, the commencement of bio diesel and bio-mass energy production, the building of the new beef harvesting facility at Tama, the creation of the Plant Science Center at Iowa State University, the establishment of state and local venture capital funds, and the locating of the nation's largest wind energy project reflect the emergence of the transformed Iowa 21st century economy.

The Grow Iowa Values Fund represents a major effort to continue our collective effort to transform the Iowa economy. In less than a year and with funding only guaranteed for two years, the Values Fund began to stabilize manufacturing jobs threatened by overseas competition, to create thousands of good-paying opportunities in the financial services and insurance sector, and to form Iowa's special niche in the growing bio-economy. From Lenox in Marshalltown to Wells Fargo in West Des Moines and Des Moines to Trans Ova in Sioux Center, interest—enthusiasm—in Iowa opportunities continues to grow. Last year at this time, our Department of Economic Development listed 60 potential projects in the pipeline. Today, that number has quadrupled to 240 potential projects.

The vital work of the Grow Iowa Values Fund must continue, but under its current structure, assurances for funding remains guaranteed for only two of the seven years of the fund. Initial investments have been made in Iowa's growth. With the investment from the fund, 3,557 new, good-paying jobs will be part of our future, and almost 1,000 good-paying jobs already part of our economy will be retained. These new opportunities will generate over the next decade more than \$2 billion of additional income for Iowans and an additional \$197,000,000 annually in support of better schools for our children, accessible healthcare for seniors and veterans, and available fire and police protection when we need it for our families and communities.

The timid and the hesitant never lead a transformation. The better future belongs to those who have faith in that future. Members of the General Assembly, finish the good work you started last year by eliminating any conditions on future funding for the Values Fund. Guarantee these funds for the full seven years of the program—and watch our state grow.

Four years ago, members of the General Assembly—including many that are here today—reflected a strong belief in our future by expanding the successful Community Attractions and Tourism program into the Vision Iowa program. This effort fueled a transformation of 119 communities into cultural and recreational centers. In Gladbrook, Iowa, I've seen a refurbished theatre providing family entertainment while acting as a powerful symbol of a small community's desire to remain strong. I've seen the America's River project, a celebration of the Mississippi River's many gifts to all of us, in Dubuque; the Tyson events Center in Sioux City; the Mid-American Convention Center in Council Bluffs; and the steam-powered carousel in my hometown, Mt. Pleasant—projects border to border and places in between encourage people from outside Iowa to enjoy a wide variety of cultural and recreational treats. These tourists and thousands like them will help spur the local and state economy. In addition, these programs led to thousands of good-paying construction jobs and permanent jobs operating and managing the facilities.

The success of the CAT and Vision Iowa programs and the wonderful variety of artistic, cultural, and recreational experiences in our state deserve recognition and celebration. It is in uncertain times like ours that we seek pleasure, solace, and instruction in the arts and humanities. A vibrant society gains meaning and direction from its creative thinkers. We should celebrate and appreciate the impact arts, culture, and recreation play in our lives during this year—2004—The Year of the Arts, Culture, and Recreation in Iowa. Studies show that creativity spurs economic growth. Breakthroughs in understanding are essential to the task of building a world of opportunity. Creative thinking, the hallmark of Iowa's success, will lead us to a more dynamic future.

We should not and we must not be satisfied with what has been done with CAT and Vision Iowa. We must focus on what more can be done if these programs continue and expand.

We are blessed with breathtakingly beautiful open spaces and wonderful streams, rivers, and lakes. These natural resources should also be celebrated and more fully utilized.

Last year thousands of Iowans participated in a consensus-driven process to improve water quality that culminated in the water quality summit in Ames, Iowa. Summit participants identified many ways in which we could improve water quality with the ultimate goal of eliminating any impaired waters within our state.

From the summit, there was broad consensus that our approach must be based on a respect for the natural lay of our land, rather than artificial boundaries. As such, we must develop a watershed approach—locally led and locally based—to enable a holistic approach to improving water quality and targeting high-priority watersheds. The summit confirmed what we suspected: that existing efforts must be better coordinated and better focused on those targeted areas for improvement. Our collective work to initiate a comprehensive water-monitoring program has greatly enhanced our efforts, but it must be continued and expanded. It was also evident from the summit that additional research is necessary to enhance our ability to improve water quality.

Living in Iowa—living in this great state—means accepting responsibility for preserving and protecting our natural resources. Every one of us should engage in the effort to preserve our soil and protect our air and water. Our state budget in every year, even in years of tight budgets, must reflect that responsibility.

Our ability to continue transformation depends on our ability to improve quality of life in Iowa. We sometimes fail to recognize how important the environment is to our quality of life. We must continue to invest in the protection of our natural resources—to be true to our heritage and our name. Iowa—a beautiful land.

To that end, I recommend that we increase in our commitment to the Environment First Fund. We should also extend Vision Iowa and CAT by \$150 million to come from additional bonding and to be repaid from the Rebuild Iowa Infrastructure fund. With interest rates low and the state's exceptional bond rating, the time will never be better. Repayment from RIIF ensures no conflict with the important educational, healthcare, and security needs of our general fund. These resources should be committed to protection and preservation of our natural resources, with an emphasis on improving

water quality and to expand our understanding of the environment and the important role it plays in transforming Iowa.

Today and for the foreseeable future, Iowans will be placed in harm's way in the service of liberty and freedom. Their task of improving the world in which we all live is our task as well. In our work at home, we should draw inspiration and motivation from them to do our duty.

While they make the world safer, we must make our schools better, our healthcare more accessible and affordable, our families and communities more secure, our environment cleaner, and our economy stronger. They sacrifice to transform a nation and open up opportunity for someone else's child. We sacrifice to transform a state and open up opportunity for their children and our children.

They will not fail the world. We must not fail them or ourselves.

God bless these brave young men and women — our troops here and abroad—and all those who serve and sacrifice for others. God bless our great nation, and God bless the great state of Iowa.

Governor Thomas J. Vilsack was escorted from the House chamber by the committee previously appointed.

Representative Gipp moved that the joint convention be dissolved, which motion prevailed by a voice vote.

ADJOURNMENT

On motion of Senator Iverson, the Senate adjourned at 10:54 a.m. upon the dissolution of the joint convention until 8:30 a.m., Wednesday, January 14, 2004.

The Senate returned to the Senate chamber.

APPENDIX**COMMUNICATIONS RECEIVED**

The following communications were received in the office of the Secretary of the Senate and placed on file in the Legislative Services Agency:

January 12, 2004

DEPARTMENT OF HUMAN SERVICES

Report regarding a chronic care pilot program, pursuant to 2003 Acts, [House File 619](#).

IOWA UTILITIES BOARD

Annual report on the status of utility customer contribution funds, pursuant to Iowa Code section 476.66(6).

REPORTS OF COMMITTEE MEETINGS**COMMERCE**

Convened: January 13, 2004, 3:05 p.m.

Members Present: Behn, Chair; Wieck, Vice Chair; Warnstadt, Ranking Member; Beall, Bolkcom, Brunkhorst, Gronstal, Kettering, Lundby, Redfern, Schuerer, Sievers, and Stewart.

Members Absent: McCoy and Putney (both excused).

Committee Business: Organizational meeting.

Adjourned: 3:10 p.m.

ECONOMIC GROWTH

Convened: January 13, 2004, 1:00 p.m.

Members Present: Rehberg, Chair; Shull, Vice Chair; Hatch, Ranking Member; Beall, Boettger, Dotzler, McKinley, Putney, Ragan, Stewart, and Veenstra.

Members Absent: Lamberti and Seymour (both excused).

Committee Business: Discussed committee bills from previous year.

Adjourned: 1:10 p.m.

NATURAL RESOURCES AND ENVIRONMENT

Convened: January 13, 2004, 1:00 p.m.

Members Present: Houser, Chair; Johnson, Vice Chair; Seng, Ranking Member; Bolkcom, Brunkhorst, Dearden, Drake, Holveck, Kettering, Kibbie, Lundby, Miller, Redfern, and Ziemann.

Members Absent: Black (excused).

Committee Business: Organizational meeting.

Adjourned: 1:20 p.m.

RULES AND ADMINISTRATION

Convened: January 13, 2004, 8:35 a.m.

Members Present: Iverson, Chair; Lamberti, Vice Chair; Gronstal, Ranking Member; Boettger, Courtney, Drake, Dvorsky, Gaskill, Ragan, Sievers, and Wieck.

Members Absent: None.

Committee Business: Approved resolution honoring Senator Mary Kramer.

Adjourned: 8:40 a.m.

TRANSPORTATION

Convened: January 13, 2004, 2:10 p.m.

Members Present: Drake, Chair; Putney, Vice Chair; Beall, Dearden, Fraise, Houser, Johnson, Rehberg, Shull, Warnstadt, and Ziemann.

Members Absent: McCoy, Ranking Member; and Iverson (both excused).

Committee Business: Organizational meeting and subcommittee assignment.

Adjourned: 2:25 p.m.

STUDY BILLS RECEIVED**SSB 3002 Agriculture**

To express support for the implementation of a system which identifies and traces livestock for purposes of controlling the outbreak of diseases in livestock populations, to ensure the wholesomeness of food products originating from livestock, and to maintain consumer confidence in the livestock industry.

SSB 3003 Appropriations

Relating to and making appropriations of birth certificate fees for the birth defects registry and child abuse prevention programs, and providing an effective date.

SUBCOMMITTEE ASSIGNMENTS**Senate Joint Resolution 2001**

RULES AND ADMINISTRATION: Iverson, Chair; Gronstal and Lamberti

Senate Resolution 101

RULES AND ADMINISTRATION: Iverson, Chair; Gronstal and Lamberti

Senate Resolution 102

RULES AND ADMINISTRATION: Iverson, Chair; Gronstal and Lamberti

Senate File 2001

TRANSPORTATION: Putney, Chair; Dearden and Drake

Senate File 2007

STATE GOVERNMENT: Shull, Chair; Dearden and Drake

SSB 3002

AGRICULTURE: Johnson, Chair; Kibbie and Ziemann

SSB 3003

APPROPRIATIONS: McKibben, Chair; Bolcom and Tinsman